CHAPTER I
INTRODUCTION

1.1. Introduction

Understanding the structural relationships within urban economies has remained important to the geographers. The rapid increasing rates of growth of urban population and the uneven nature of this growth have played an important role in altering the nature of urban centres and their host societies. Growth in the size of towns and change in their structure signify many things, but perhaps the most essential feature is its role in bringing about economic development. Simultaneously, the latter engenders rapid urbanisation as well.

Urbanisation and urban growth result mainly due to migration, especially from rural to urban migration in developing countries. However, as observed in Indian context as well, such migrations are generally towards the larger and the mega-cities, whereas the smaller towns stagnate, i.e., they do not encourage in-migration, since they provide little economic opportunities to the migrant population. Smaller towns in developing countries like India are, either outgrown villages or are agricultural service centres with little occupational diversification.

In the case of Mizoram, the British left behind a population consisting of an overwhelming majority of shifting cultivators. In 1951, a massive 93% of the people were depended on agriculture. Other opportunities were initially slow to present themselves, but quickened in 70s with the formation of Union Territory and then the state of Mizoram. The result was a rapid diversification of a section of the workforce in to the service sector. As already seen, Mizoram has maintain a high rate of population growth which could very well over take the carrying capacity of its resources. The occupational shifted away from the primary sector has thus been opportune in mitigating such an eventuality.
During the period of 1961-1991, fallen in the high degree of dependence on agriculture is a conspicuous in the realm of labour statistics. In order to understand the condition of occupational diversification, the linkages between these activities is explored on the basis of general impressions borne out by field inquiry. In the rural areas, shifting cultivation is still the established source of income, followed distantly by government service. It is interesting to note that this pattern is very similar to the aggregate picture of Mizoram report in 1971 census, when urbanisation was yet to take off. Evidently, the villages have been through little occupational diversification in the past two and half decades. The changes that have come about are visible in the urban sector, where shifting cultivation is far reduced, while it persisting. Agricultural labour, horticulture, and plantation are better represented as the main occupation in the towns compared to villages. As expected, government employees and business families dominated urban areas. Quite obviously, urbanisation is responsible for taking a large section of the workforce out of shifting cultivation.

In the instant case, Mizoram has been very quickly urbanising in the past two decades (46% urbanisation in 1991 as compared to 24% in 1981; currently, 49.5% in 2001). This is an anachronism of sorts. It is one of the smallest states of India with total population, little over 800,000. It has very high literacy rate (second highest in India) but hardly any notable industries. The state is primarily agricultural, though due to the very mountainous character of land, little farmland is available for gainful agricultural practices. And, nearly half of the population of the state live in urban settlements (22 in 2001), one quarter in one city, Aizawl.

1.2 Literature Reviews:

The meaning of occupational structure, as given by the Concise Oxford Dictionary of Sociology (1990), is the aggregate distribution of occupations in a society, classified according to skill levels, economic functions and social status. The occupation often reflects a
variety of cultural traits of the workers; especially in a country like India where cultural moorings have strong bearing on what a person is to do for earning a livelihood (Gosal, 1965).

The Census of India (1981; 1991) had classified the occupations into the following schemes such as:

A. Primary sectors comprise of worker engaged as cultivators, agricultural labourers, working in mining, quarrying, hunting, fishing and forestry based activities because these activities are based on direct extraction of natural resources.

B. Secondary sectors comprise of workers engaged in household industry, manufacturing, and constructions, etc., termed as blue collar jobs.

C. Tertiary sectors comprise of worker engaged in trade and commerce, transport, storage and communication and all other services; these activities are termed as white collar jobs.

The Census 2001 (Paper I) indicates that whereas at the country level 58.4% of workers (main plus marginal) are engaged as cultivators and agricultural labourers, in rural areas the percentage is 73.33 and in urban, 7.92. On the other hand, non-household industries, construction all services account for 37.52% of all workers, in rural, 22.9% and in urban, 86.98%. This is indicative enough of the significance of occupational diversity in urban areas, where the secondary and tertiary sectors account for more than 92% of all workers.

Kuznets (1966) described that with economic development, the share of tertiary employment in the labour force increases mainly because of slow growth of technical progress in services, a high income elasticity of demand for some of tertiary activities and increasing urbanisation resulting in the rise in the demand for service like transport and distribution. In addition, he viewed increase in manufacturing activities could lead to rise in tertiary employment as income growth originating from expansion of manufacturing
activities raise the consumption of services, and also demand for service input into manufacturing activities tend to increase. Overall, the growth of employment in tertiary activities is viewed mainly from two angles: (a) treating it primarily as a 'supply push phenomenon', and (b) rationalising its growth in term of 'demand-induced hypotheses'.

Change in occupational structure of certain region is influenced by different factors; they may be social factors, political factor, cultural factors and economic factors. Sinha (1972) described that the change in occupation structure is welcome only if it is caused by the consequence of growth in income; it is a happy situation.

Krisnamurthy (1984) had studied change in occupational structure in India. This study presented that high and constant population growth have resulted in high participation rate, and a trend of change in the structure of the work forces is discernible—in particular, there has been many evidences of relative shift away from agriculture.

Jayadevan (1997) described that the Indian economic development during eighties was characterised by the low growth of employment both in formal and informal sector despite a relatively high incomes in the manufacturing sectors. The rise in labour costs, attributable to the labour market rigidities generated by appropriate regulation and the nature of industrial relations have been said to be responsible for deceleration in employment growth in the eighties. He added that the variances in employment growth rates are mainly explained by the variances in output growth rates during the first period. Variance s in the output growth rates and wage growth rates were significantly important determinants of employment growth rate.

Pothana, (1971) studied changes in occupational structure in Andhra Pradesh; he had emphasised, the shift of occupational structure as the corollary to urbanisation, i.e., migration that has taken place among non-agricultural workers. The author had presented the identification of the changing pattern of occupational structure as well as the causes of such
changes. He describes that agricultural development had brought about some significant changes in five districts; diversification of employment through establishments of industries that helped shift of occupation composition in six districts, and construction of a major hydel project and expansion of mining also resulted some significant changes.

Siddiqui (1983) had also studied the shift in occupational structure in Uttar Pradesh. The overall assessment of occupation regions based on index of specialization, coefficient of specialization and occupational combination reveal that the state was characterized by a highly diversified economy, especially industrial economy. He had tested correlation between demographic elements and occupational structure that signified that with the increase in literacy rate, urbanization, industrialization and migration, there was shift from primary occupations and increase in the secondary and tertiary ones. Changes in agricultural productivity and population growth have yielded highly significant degree of positive relationship with secondary occupations.

Prabha (1978) had included the study of shift in occupational structure of Punjab. She presented the peculiarities of occupational structure and analysed employment pattern and major activities in the state, in which the majority of urban workforces were engaged.

By taking the generalizations from the empirical work of Kuznets (1966, 1974); Kumar, et al (1994) had tested the shifting structure of employments of Karnataka from secondary data sourced from Census of India; they had established some changes that was brought about by some progressive indicators. The sectoral composition of employment for rural and urban workforces and percentage of change in employment have been discussed in the study. There was high degree of differences between rural and urban growth rate especially in secondary and tertiary employment. However, the importance of the primary sector declines as the economy of the state grows.
Maria (1997) stated that economic diversification of occupational structure and relative changes in the employment and incomes as significant part of socio-economic process underlying structural transformation. The main mechanism, through which structural transformation is manifested, is the change of occupational structure and associated employment and income pattern of rural groups. Since, occupational structure reflects the diversification of employment and sources of income it is also an instrument for capturing the relative potential for economic diversification among rural population. As such, change in occupational structure form a crucial and more transparent aspect of analytical and empirical linkage between structural transformation and diversification potential of employment and income of community.

Occupation not only determines the employment and income of the individual but also indicates his social status as well (Slocum, 1966: 76-87). In this sense, occupation serves as the link that holds individual to the social and economic order of the community. Viewed from the perspective of socio-economic structure, occupational pursuits are related to an individual’s function in the economic system, his share of the community’s wealth and his social status and ecological position in the community.

Since occupational structure is a variable located in the interface between economic and sociology, the occupational pattern of rural groups could be observed in their employment and income structure that has the capacity to close approximately to the existing social status structure, as well. Even technological and institutional changes and infrastructure developments, which either proceed or succeed the process of transformation – will have their effect, ultimately reflect in the form of occupational diversification of various economic and social groups. In this manner, the concurrent process of social transition is effected through the economic mobility that accompanies economic transition – both upward
and downward- of groups that engender constant changes in their social stratification and class structure.

Bhatarcharya and Mitra (1997) examine the changing composition of employment in the tertiary sector in the India economy. They explored that tertiary sector accounts for a considerably large percentage of employment not only in the developed countries, but also in developing countries, especially in the urban areas. In some of the developing countries, rapid growth of employment in this sector is accompanied by a perceptible decline in the growth rate of manufacturing sector workforce. This process can be explained in term of (a) a structural shift in production behaviour towards tertiary sector, and (b) increasing specialisation leading to a shift of tertiary type of activity in the manufacturing sector to tertiary sector proper. Similarly, trade openness resulting from globalisation may also promote the employment growth in the tertiary sector and effect its composition.

Bhatarcharya and Mitra (1997) said that a large percentage of workforce particularly in the developing countries is located in tertiary activities, which is attributable to lack of employment opportunities in manufacturing or agriculture sectors, resulting from labour saving technological changes, factor market imperfections and rapid increase in the labour force.

Eapen (1984) studied empirical data for a number of countries over fairly a long period of time and indicated that the major changes associated with development in the movement of employees from agriculture to non-agricultural activities—the process of industrialization.

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isolated and less developed. It is by analysing and understanding the occupational structure within the (three) urban centres that one could discover the processes inherent in Mizoram that is leading to higher urbanisation levels. The study of occupations within the urban areas is likely to throw light on the dynamics of this urban system in a small state like Mizoram and make one understand the processes of economic change that makes these urban centres, though small to thrive on. As outlined earlier, the main focus of the study remains understanding the occupations, occupational diversity, dynamics of occupational changes and explanations in regards to the sustenance of the urban system as an integrated part of the regional economy.

1.4 Objectives of Study

The primary objectives of the present study are as follow:

1. To study the nature of occupations in the small towns in one of the most backward districts of Mizoram on the basis of primary data. It may be noted that Census information that has been becoming more restrictive over the years does not provide any occupational data, rather the sectoral data, i.e., the population belonging to which broad industrial categories. Since occupational data from NSSO source are limited by very small sample limitations, therefore of little consequence, the study aims at generating primary data base (on a large sample basis) in the three towns short-listed for the study.

2. The second objective is to analyse the nature of occupational diversification within the small towns themselves and, if, there are cardinal differences between the towns, in regards to their occupational characterisation.

3. The third objective is to study the relationship of the regional and town economies with those of the occupational structure of these towns and possibly in the manner, the
economy may be changing resulting in concurrent changes in the occupational structure.

4. Finally, explanations are to be proposed on the basis of empirical evidences to the occupational characterisation of the towns as well as the changes possibly they are undergoing. This will have a larger implication of both understanding the smaller towns in general (for the country) as well as to understand their economic limitations and dynamics, since it is well known that the smaller towns do not grow because of low threshold population and diseconomies of scale.

1.5 Research Issues and Hypotheses:

There are three major research issues here to be dealt with:

1. Whereas there have been a large number of general occupational studies both by economists and geographers following the issues raised by Kuznets or Clark, such studies on India are largely dependent on Census based data that technically does not conform to occupational definition and details, and studies on urban centres, especially for small towns are very limited. Of the 246 towns/cities of North East India, only nine are class I cities and none, a million plus city. Thus, most of the urban scenario of the region is about only small towns. In Mizoram, of the 22 towns only Aizawl is a class I city but the total population of Aizawl is greater than the combined population of the rest of the 21 towns. Therefore, there is a need of understanding the small towns if one is to understand the economy and dynamics of the urban scene as such.

2. The second issue concerns the question of urbanisation in Mizoram itself, a state very small and agrarian in character and still enjoying an urbanisation level over 50%! What then sustains this level of urbanisation? Is the urbanisation a product of
economic changes, reflected in occupational changes in towns and cities or is a product of political processes and even social processes (migration from interior locations to larger settlements invariably along the national highways). If, the latter is true, then what occupations and economic activities sustain them, since at urban location large-scale agrarian practices are impossible to carry out.

3. The third issue relates the nature and dynamics of occupations in urban Mizoram. Are the occupations diversified enough? Is the process of diversification an on-going one? How is this process of diversification effected? What economic changes facilitate occupational changes? Without any worthwhile manufacturing bases, the service sectors, primarily public services and trade appear to be the prime movers of these towns? How sustainable they are? What are the relationships between service sector expansion and size growth of the towns? Many of these issues need a closer look and adequate understanding.

1.6 Chapters Scheme

Chapter I: Introduction, review of literature, statements of the problem, objectives of the study and hypotheses etc.

Chapter II: Database and Methodology

Chapter III: The general background to the three towns of Serchhip district of Mizoram.

Chapter IV: Nature of enterprises and establishments in the three towns of Serchhip district of Mizoram,

Chapter V: Occupations, types and compositions of the three towns

Chapter VI: Rural-urban relationships, urban economies and occupational nexus

Chapter VII: Economic dynamics and occupational changes

Chapter VIII: Summary, findings and conclusion